

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 7

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; PROVIDING FUNDING FOR
DEVELOPMENT TRAINING PROGRAMS; AMENDING AND ENACTING SECTIONS
OF THE NMSA 1978; RECONCILING MULTIPLE AMENDMENTS TO THE SAME
SECTION OF LAW IN LAWS 2003; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 21-19-7 NMSA 1978 (being Laws 1983,
Chapter 299, Section 1, as amended by Laws 2003, Chapter 352,
Section 1 and by Laws 2003, Chapter 353, Section 1 and also by
Laws 2003, Chapter 360, Section 3) is amended to read:

"21-19-7. DEVELOPMENT TRAINING.--

A. The economic development department shall
establish a development training program that provides
quick-response classroom and in-plant training to furnish
qualified manpower resources for new or expanding industries

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1 [and] located in New Mexico, non-retail service sector
2 businesses in New Mexico and film and multimedia production
3 companies in New Mexico that have business or production
4 procedures that require skills unique to those industries.
5 Training shall be custom designed for, and based on the special
6 requirements of, each company or pre-employment training for
7 the film and multimedia industry. The program shall be
8 operated on a statewide basis and shall be designed to assist
9 any area in becoming more competitive economically.

10 B. There is created the "industrial training board"
11 composed of:

12 (1) the director of the economic development
13 division of the economic development department;

14 (2) the director of the vocational education
15 division of the ~~[state department of]~~ public education
16 department;

17 (3) the director of the job training division
18 of the labor department;

19 (4) the executive director of the commission
20 on higher education;

21 (5) one member from organized labor appointed
22 by the governor; and

23 (6) one public member from the business
24 community appointed by the governor.

25 C. The industrial training board shall establish

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1 policies and promulgate rules for the administration of
2 appropriated funds and shall provide review and oversight to
3 assure that funds expended from the development training fund
4 will generate business activity and give measurable growth to
5 the economic base of New Mexico within the legal limits
6 preserving the ecological state of New Mexico and its people.

7 D. Subject to the approval of the industrial
8 training board, the economic development division of the
9 economic development department shall:

- 10 (1) administer all funds allocated or
11 appropriated for industrial development training purposes;
12 (2) provide designated training services;
13 (3) regulate, control and abandon any training
14 program established under the provisions of this section;
15 (4) assist companies requesting training in
16 the development of a training proposal to meet the companies'
17 manpower needs;
18 (5) contract for the implementation of all
19 training programs;
20 (6) provide for training by educational
21 institutions or by a company through in-plant training, at that
22 company's request; and
23 (7) evaluate training efforts on a basis of
24 performance standards set forth by the industrial training
25 board.

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1 E. The vocational education division of the [~~state~~
2 ~~department of~~] public education department shall provide
3 technical assistance to the economic development department
4 concerning the development of agreements, the determination of
5 the most appropriate instructional training to be provided and
6 the review of training program implementation.

7 F. Except as provided in Section 21-19-7.1 NMSA
8 1978 for film and multimedia production companies and pre-
9 employment training programs for that industry, the state shall
10 contract with a company or an educational institution to
11 provide training or instructional services in accordance with
12 the approved training proposal and within the following
13 limitations:

14 (1) payment shall not be made for training in
15 excess of one thousand forty hours of training per trainee for
16 the total duration of training; provided that no more than ten
17 percent of the payments are for part-time positions;

18 (2) training applicants shall have resided
19 within the state for a minimum of one year [~~immediately~~] at any
20 time prior to the commencement of the training program and be
21 of legal status for employment; provided, however, that prior
22 to July 1, 2004, the residency requirements may be waived in
23 part for projects within New Mexico communities located within
24 fifty miles of the state border if the project meets the
25 following criteria:

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1 (a) the project will employ more than
2 one thousand five hundred employees;

3 (b) the resident labor force within a
4 fifty-mile radius of the project location is not sufficient to
5 fill the full-time-equivalent position requirements of the
6 project as determined by the labor department;

7 (c) preference for training shall be
8 given to New Mexico residents; and

9 (d) no less than fifty percent of the
10 project's work force shall be residents of New Mexico;

11 (3) payment for institutional classroom
12 training shall be made pursuant to any accepted training
13 contract for a qualified training program;

14 (4) payment shall not be made pursuant to any
15 accepted training contract for rental of facilities unless
16 facilities are not available on site or at the educational
17 institution;

18 (5) ~~[all applicants shall be eligible under~~
19 ~~the federal Fair Labor Standards Act of 1938, as amended, and]~~
20 no more than ten percent of the trainees may be trained for
21 management positions and all trainees shall not have terminated
22 a public school program within the past three months except by
23 graduation;

24 (6) trainees shall be guaranteed full-time
25 employment with the contracted company upon successful

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1 completion of the training;

2 (7) persons employed to provide the
3 instructional services shall be exempt from the minimum
4 requirements established in the state plan for other state
5 vocational programs;

6 (8) payment shall not be made for training
7 programs or production of Indian jewelry or imitation Indian
8 jewelry unless a majority of those involved in the training
9 program or production are of Indian descent; and

10 (9) if a company hires twenty or more
11 trainees, payment shall not be made for training in a
12 municipality having a population of more than forty thousand
13 according to the most recent decennial census or a class A
14 county unless the company:

15 (a) offers its employees and their
16 dependents health insurance coverage that is in compliance with
17 the New Mexico Insurance Code; and

18 (b) contributes not less than fifty
19 percent of the premium for the health insurance for those
20 employees who choose to enroll; provided that the fifty percent
21 employer contribution shall not be a requirement for the
22 dependent coverage that is offered."

23 Section 2. Section 21-19-7.1 NMSA 1978 (being Laws 2003,
24 Chapter 353, Section 2) is amended to read:

25 "21-19-7.1. DEVELOPMENT TRAINING FOR FILM AND MULTIMEDIA
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1 PRODUCTION COMPANIES.--

2 A. After consulting with the New Mexico film
3 division of the economic development department, the industrial
4 training board shall promulgate rules for development funding
5 for film and multimedia production companies. The rules shall
6 provide:

7 [~~A.~~] (1) for preapproval by the New Mexico
8 film division of personnel who:

9 [~~(1)~~] (a) are New Mexico residents as
10 required in Section 21-19-7 NMSA 1978;

11 [~~(2)~~] (b) have participated in on-the-
12 job training or attended a training course sponsored in part by
13 an accredited educational institution in New Mexico [~~the labor~~
14 ~~department~~] or by the New Mexico film division; and

15 [~~(3)~~] (c) have been certified as [~~a~~]
16 film and multimedia [~~trainee~~] trainees by the New Mexico film
17 division;

18 [~~B.~~] (2) for submission to the economic
19 development division of the economic development department by
20 a film or multimedia production company, after completing
21 production in New Mexico, of employment, salary and related
22 information concerning those personnel who have been:

23 [~~(1)~~] (a) approved by the New Mexico
24 film division pursuant to Subsection A of this section; and

25 [~~(2)~~] (b) employed by the production

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1 company in a film or multimedia production in New Mexico;

2 ~~[E.]~~ (3) after approval by the economic
3 development division, for reimbursement from the development
4 training fund to the production company of fifty percent of the
5 salaries paid to the personnel for whom information is
6 submitted pursuant to ~~[Subsection B of this section]~~ Paragraph
7 (2) of this subsection; and

8 ~~[D.]~~ (4) that the reimbursement shall be made
9 by the economic development division without further action or
10 approval of the industrial training board.

11 B. The New Mexico film division of the economic
12 development department shall establish a film and multimedia
13 pre-employment training program to furnish qualified manpower
14 resources for the film and multimedia industry. The New Mexico
15 film division of the economic development department shall
16 adopt rules implementing the pre-employment training program."

17 Section 3. A new section of Chapter 21, Article 19 NMSA
18 1978 is enacted to read:

19 "[NEW MATERIAL] DISTRIBUTIONS OF DEVELOPMENT TRAINING
20 FUNDS.--

21 A. Of appropriations made in any fiscal year for
22 development training, up to two-thirds shall be expended in
23 urban communities in the state. At least one-third of the
24 appropriations made in any fiscal year for development training
25 shall be expended in non-urban communities.

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1 B. Of money appropriated to the development
2 training fund in any fiscal year, the economic development
3 department may use:

4 (1) up to fifty thousand dollars (\$50,000) to
5 generally administer the development training program; and

6 (2) in addition to the general administration
7 funding allowed in Paragraph (1) of this subsection, up to
8 twenty-five thousand dollars (\$25,000) to administer the
9 provisions of Section 21-19-7.1 NMSA 1978.

10 C. Up to one million dollars (\$1,000,000) of
11 development training funds may be used to reimburse film and
12 multimedia production companies and to provide pre-employment
13 training for that industry pursuant to the provisions of
14 Section 21-19-7.1 NMSA 1978.

15 D. As used in this section:

16 (1) "non-urban community" means a municipality
17 that is not an urban community or the unincorporated area of a
18 county; and

19 (2) "urban community" means a municipality
20 with a population of forty thousand or more according to the
21 most recent federal decennial census."

22 Section 4. CONTINGENCY.--The provisions of this act
23 become effective upon enactment into law of an appropriation
24 for development training in the General Appropriation Act of
25 2004.

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